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RUEHBY/AMEMBASSY CANBERRA 2168
RUEHDK/AMEMBASSY DAKAR 2533
RUEHKM/AMEMBASSY KAMPALA 2951
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AF/S FOR B. WALCH
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NSC FOR SENIOR AFRICA DIRECTOR
STATE PASS TO USAID FOR L.DOBBS AND J. HARMON
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SUBJECT: ZIM NOTES 04-17-2009

[1](#)1. SUMMARY

Topics of the week:

- Outstanding Issues Still Outstanding...
- Communications Portfolio in Limbo...
- Constitutional Process Kicks Off...
- Joint Independence Day Celebrations Planned...
- MDC MPs Divided Over Cars...
- U.S. Lauded for Lifting Travel Warning...
- MDC MP Jailed for "Inciting Violence"...
- MPs Charged With Diverting Agriculture Inputs...
- Poverty Datum Line (PDL) Falls As Prices Continue To Drop...
- Econet Wireless Secures 3G Frequencies...
- Cholera and Election Violence's Toll on Tourism...
- Stable Food Security Situation...
- Cautious Optimism at Agribusiness Firm...

On the Political/Social Front

[1](#)2. Outstanding Issues Still Outstanding... The inaugural meeting of the Government Executive Committee, comprising President Robert Mugabe and his two vice presidents and Prime Minister Morgan Tsvangirai and his two deputy prime ministers which was to discuss outstanding issues-media, land invasions, appointments of governors and permanent secretaries, the stripping of MDC minister Nelson Chamisa's portfolios (see below), and Mugabe's failure to swear in Roy Bennett as Deputy Secretary of Agriculture-took place on Thursday and was adjourned without discussion of any of these issues. ZANU-PF participants expressed uncertainty about what was called for in the Inter-Party Agreement, and who had what authority. At Tsvangirai's suggestion, three of the Agreement's negotiators, Tendai Biti, Welshman Ncube, and Patrick Chinamasa, will discuss the Agreement and its mandates with the Committee on Monday.

[1](#)3. Communications Portfolio in Limbo... The communications

portfolio of the Ministry of Information and Communications Technology, headed by up-and-coming MDC minister Nelson Chamisa, was suddenly reallocated by Mugabe's office to the Ministry of Transport and Infrastructure Development, led by ZANU-PF minister Nicholas Goche. While Chamisa and the MDC fight the reallocation, the government mouthpiece The Herald has already begun referring to the "Ministry of Transport, Communication, and Infrastructure Development." Tsvangirai termed the move "illegal" and the MDC has stated it will not accept it. Chamisa has threatened to quit if the action is not rescinded. See Harare 321.

¶4. Constitutional Process Kicks Off... On April 12, the House of Assembly announced the formation of a Parliamentary Select Committee to direct the process to form a new Zimbabwean constitution. Members are divided between the three political parties. The committee chair—who may come from outside Parliament—has not yet been chosen. Civil society groups quickly opposed the process, arguing they are not adequately represented. See Harare 323.

¶5. Joint Independence Day Celebrations Planned... For the first time, MDC officials will join ZANU-PF at national Independence Day celebrations on April 18. The main celebration will be led by Qcelebrations on April 18. The main celebration will be led by President Mugabe at the National Sports Stadium. Officials will not wear party regalia.

¶6. MDC MPs Divided Over Cars... The Reserve Bank of Zimbabwe distributed vehicles to MPs this week, despite protestations from Prime Minister Tsvangirai that the RBZ should cease all quasi-fiscal activities. Some MDC MPs reportedly accepted vehicles against the MDC leadership's directive that no one should accept a vehicle from

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the RBZ. The Independent reports that some MPs have declared this "unfair" and have threatened to break away.

¶7. U.S. Lauded for Lifting Travel Warning... Given the improved availability of basic food, fuel, and health care in Zimbabwe, on April 8 the USG lifted the travel warning on Zimbabwe that was issued on December 12, 2008. In a front page article in The Herald on April 16, the newspaper inaccurately states that the travel warning had been in place since 2002, making this big news that the paper optimistically expects the lifting will "open the floodgates for tourist arrivals."

¶8. MDC MP Jailed for "Inciting Violence"... MDC-T MP for Chipinge East, Mathias Mlambo, was arrested on April 13, accused of inciting violence at a funeral for an MDC member in his constituency on April ¶10. While Mlambo was at the graveside with the deceased's family, an altercation broke out nearby when ZANU-PF supporters reportedly taunted MDC supporters attending the funeral. When the MP went to report the incident, police detained him and accused him of provoking the violence. Mlambo has spent the week in jail, and a Chipinge magistrate is set to rule on bail conditions on April 17. Numerous MPs reporting incidents during election-related violence in 2008 were also arrested in similar fashion.

¶9. MPs Charged With Diverting Agriculture Inputs... Six MPs from Masvingo province (5 MDC and 1 ZANU-PF moderate) are set to face trial May 5 for allegedly diverting a total of maize seed and fertilizer valued at near US\$90,000.

On the Economic and Business Front

¶10. Poverty Datum Line (PDL) Falls As Prices Continue To Drop... According to the Central Statistical Office, the PDL for a family of five, which stood at US\$552 in February 2009, fell to US\$461 in March in line with the general decline in prices of most food items. Reputable independent estimates put the decline in Zimbabwe's general price level in March as high as 19 percent for low-income earners, who make up the vast majority of the population.

¶11. Econet Wireless Secures 3G Frequencies... According to the operations manager of Zimbabwe's largest mobile network operator by

number of subscribers, Econet Wireless, the company has secured 3G frequencies from the Posts and Telecommunications Regulatory Authority of Zimbabwe. How soon 3G will be available, however, is uncertain, as the associated equipment, which has been idle over the past three years, needs retesting before its deployment.

¶12. Cholera and Election Violence's Toll on Tourism... The Zimbabwe Tourism Authority reported a 24 percent decline in tourism receipts from US\$365 million in 2007 to US\$294 million in 2008. The fall is attributed to a sharp decrease in tourist arrivals caused by election-related violence, as well as the cholera outbreak in the latter half of the year. Although violence and cholera are on the wane, the renewed wave of farm invasions is likely to prevent the Qwane, the renewed wave of farm invasions is likely to prevent the tourism industry from realizing its full potential yet again in ¶2009.

¶13. Stable Food Security Situation... Zimbabwe's food security situation remained stable and food supplies improved in March due to the relaxation of restrictions on private sector trade and the subsequent increase in private sector activity, according to the March 2009 report of the Famine Early Warning Systems Network (FEWSNet). Late summer harvests also improved household food supplies in both urban and rural areas. See www.fews.net/zimbabwe. Separately, a team from the Alliance for a Green Revolution in Africa (AGRA), an organization chaired by former UN Secretary General Kofi Annan, visited Harare last week and is looking to initiate projects to improve food security for the 2010 harvest.

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See Harare 306.

¶14. Cautious Optimism at Agribusiness Firm... CFI Holdings is optimistic that, with the liberalization of grain importation, it can up its capacity utilization from the current 20-25 percent level to 60-70 percent, albeit pending an injection of US\$5 million in working capital. The manufacturer of animal feed, flour and maize products stopped its grain outgrower scheme due to side marketing by farmers and now relies on imports. With the increasing availability of stock feed, the company's poultry division has started exporting day-old chicks and hatching eggs to Europe.

Quote of the Week

¶15. "So for them (MDC-T), after calling for the imposition of sanctions yesterday to go back to those same people and say 'remove the sanctions' is difficult... They will have psychological difficulties and we should help them get over it. With time they will have summoned the courage to go to the same people and say we don't need them anymore." -- President Robert Mugabe, in his annual Independence Day interview with ZBC-TV. The Herald, Friday April ¶17.

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